

U.S. – RUSSIA
INNOVATION COUNCIL ON HIGH TECHNOLOGIES
TERMS OF REFERENCE

The Department of Commerce of the United States of America and the Ministry of Education and Science of the Russian Federation (hereinafter referred to as “the Participants”), having formed the Innovation Council on High Technologies (hereinafter referred to as “the Council”) in accordance with Article 3 of the Memorandum of Understanding between the Department of Commerce of the United States of America and the Ministry of Education and Science of the Russian Federation on Cooperation in Technology and Innovation, signed at Washington, D.C. on April 19, 2004, hereby adopt the following Terms of Reference:

AIM OF THE COUNCIL’S ACTIVITIES

The aim of the Council is to promote the development of cooperation between the U.S. and Russia in the field of innovation, commercialization, and high technologies, and to promote interaction and cooperation between representatives of government agencies and the business and scientific communities of the United States and of Russia for the purpose of commercializing the results of scientific and technical activities, including those developed through government funding or sponsorship.

GENERAL PRINCIPLES

1. Innovation activities, commercialization of the results of scientific and technical activities, entrepreneurship, and a pro-competitive legal and policy environment are important stimulators of economic growth and job creation.

2. The U.S. and Russia have a mutual interest in strengthening and expanding cooperation through the establishment of an ongoing dialogue and the creation of cooperative programs in order to develop sustained commercial partnerships between U.S. and Russian developers of high technologies and entrepreneurs.

3. The Council is a forum for the free exchange of information, ideas, and problems in the interests of:

— Studying existing problems and making recommendations on developing joint entrepreneurship in the field of innovation activities and commercialization of the results of scientific and technical activities;

— Preparing analytical reviews and developing recommendations on creating favorable conditions for cooperation in the field of innovation and high technologies, which promote the economic development of the U.S. and Russia;

— Providing guidance to private sector representatives in taking advantage of opportunities for cooperation in the field of innovation activities and commercialization of the results of scientific and technical activities;

— Establishing a dialogue on creating pro-competitive technology policies that stimulate scientific research and development based on sustainable U.S. and Russian private sector partnerships;

— Enabling U.S. and Russian technology joint ventures, in order to afford greater access to, and a greater ability to serve, global markets.

4. The Council is intended to conduct its activities in close cooperation and consultation with U.S. and Russian private sector representatives.

5. The Council's activities are to be carried out on the basis of:

— Mutual benefit, taking into account the contributions of the respective participants in joint activities;

— Timely exchange of information which may be of importance for joint activities; and —
Protection of business confidential information and adequate protection of intellectual property, in accordance with Article 7 of the Memorandum of Understanding.

PRIORITY OBJECTIVES

The priority objectives of the Council are to:

1. Identify promising areas of innovation cooperation for commercialization of the results of scientific and technical activities.
2. Stimulate joint research and development that has significant commercial potential, and support joint innovation projects to bring the results of such research and development to the market for science-intensive products and services.
3. Create and maintain a pro-competitive environment that allows business and partnerships in innovation to develop successfully.
4. Facilitate the establishment of U.S.-Russian business partnerships to produce new jointly developed science-intensive goods and services and to promote them on world markets through market-based commercialization programs.
5. Develop recommendations for harmonizing legislation in the field of innovation activities and technology standards of the U.S. and Russia.
6. Promote in the global marketplace the commercial technology partnerships that have been established.

STRUCTURE AND ORGANIZATION OF WORK

1. The Council is to be headed by two Co-Chairs, one from each Participant. The U.S. Co-Chair is to be appointed by the Department of Commerce of the United States of America. The Russian Co-Chair is to be appointed by the Ministry of Education and Science of the Russian Federation.
2. The Council is to be composed of not more than twenty representatives. The Participants will each select ten representatives from government agencies, and business and scientific communities of the U.S. and Russia, respectively.
3. The Council will establish working groups on the main areas of its activities. These working groups will be responsible for:

- Reviewing possibilities for harmonizing legislation in the area of innovation activities and studying the results of intellectual activities;

- Providing guidance on the management, funding, and effectiveness of innovation programs and projects, including joint programs for market-based commercialization of technologies;

- Promoting the formation of U.S. and Russian innovation and technology business partnerships; and

- Stimulating technology incubation by identifying scientific innovations with commercial applications.

4. The Council Co-Chairs are to direct the activities of the Council and are to carry out the decisions adopted by the Council. The Council Co-Chairs are to designate one or more representatives from their respective sides to provide organizational and technical support for ongoing work. The Chairs are to designate their respective representatives within 30 days of the adoption of the Terms of Reference and are to inform the other Chair of their selection

5. Council meetings are to be held at least once a year, alternately in the U.S. and Russia, on issues proposed for consideration and coordinated between the Council Co-Chairs. The Host Participant is to bear organizational expenses for holding meetings of the Council and the working groups, including rental of premises and costs of interpreting and translating. The sending Participant will bear expenses for sending representatives to participate in the meetings.

6. The first meeting of the Council will be held no later than six months following adoption of the Terms of Reference.

7. All activities of the Council are subject to the availability of funds and personnel of each of the Participants.

8. Council meetings will be conducted by the Co-Chair of the Host Participant. Business may be transacted at a meeting if at least half of the designated members of the Council from each side are present at the meeting. The Co-Chairs will circulate an agreed agenda in advance of Council meetings and will provide background materials and analysis for agenda items and focus areas to the Council.

9. The working language of meetings of the Council and the working groups will be the language of the Host Participant. In this connection, representatives of the other Participant will be provided with interpretation and translation.

10. Decisions and recommendations of the Council are to be adopted by consensus and recorded in writing in the English and Russian languages.

11. The Participants are to review the performance of the Council after five years and are to update these Terms of Reference as necessary.

Signed at Washington, on November 16, 2004, in two copies each in the English and Russian languages.

FOR THE MINISTRY OF
EDUCATION AND SCIENCE OF
THE RUSSIAN FEDERATION

FOR THE DEPARTMENT OF
COMMERCE OF THE
UNITED STATES OF AMERICA